



City of Saint Paul

Truth in Sale of Housing (TISH)

2007 Annual Report

TISH Board Members



Stephanie Alstead
Architectural



Jerry Beedle, Chair
Building Trades



Michael DeTomaso
At-Large



Alan Emory
Financial



Michael Moser
Building Contractors



Bob Nardi
Legal



James C. Reiter
Real Estate



Brian Winkelaar
At-Large



Program Background

The City adopted the Truth in Sale of Housing (TISH) ordinance, chapter 189, in the mid-seventies. The purpose of the program is to inform buyers of the condition of the dwelling offered for sale. The primary basis for evaluation is the City's Minimum Maintenance Code, chapter 34, with some comparisons to current building (trades) codes. It is a "disclosure only" report that does not require repairs of 'hazardous' or 'below standard' conditions found during the evaluation. However, the Fire Marshal's Office does enforce chapter 58, the Hard-Wired Smoke Detector (HWSD) ordinance which requires at least one HWSD to be installed in all single family homes.

The TISH ordinance applies to all single-family homes, duplexes, townhouses, condominiums and co-ops. However, there are exemptions. These include newly constructed dwellings, dwellings transferred to a public body, dwellings with a valid certificate of code compliance, dwellings sold at Sheriff's sales, dwellings with a valid Certificate of Occupancy, dwellings being sold to an immediate family member, and those that will be demolished.

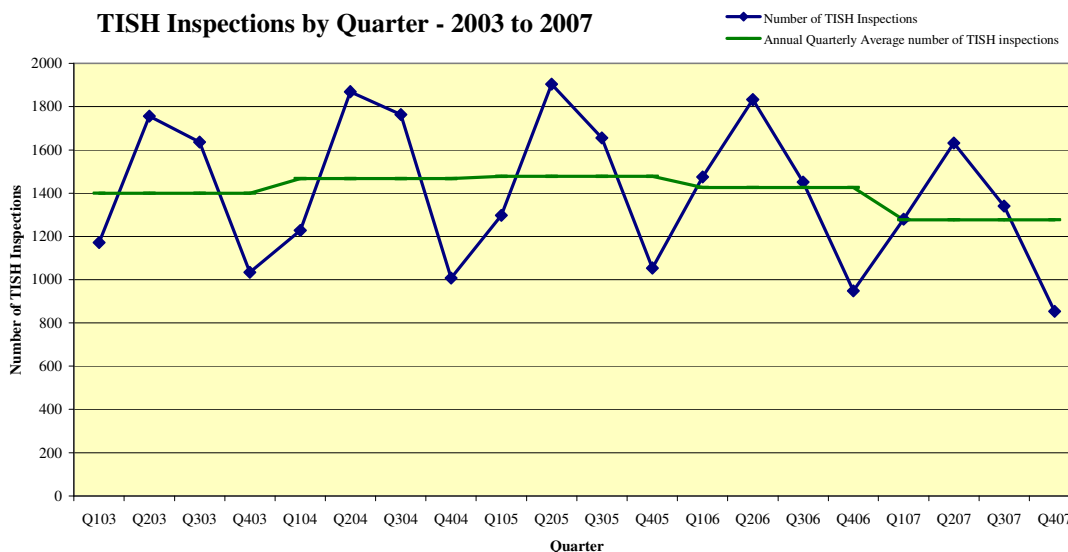
Governance

The TISH board is a policy-making body; it consists of 8 members who are appointed by the mayor and confirmed by the City Council. The ordinance requires the board to include the Director of the Department of Safety and Inspections (DSI), (or designee) and one member from each of the following professions: the building trades, the legal profession, the financial community, the contracting business, the real estate business, and the architectural or engineering profession. In addition, there must be two citizen, At-Large, members on the board. Board terms are four (4) years and are staggered.

The board establishes policies and procedures, is responsible for the testing, licensing, and oversight of the conduct and performance of TISH evaluators. It hears appeals, and sets the program fees. Staff administers the program according to the policies and procedures established by the board.

Common Evaluation Report Findings

The ten most common defects that TISH evaluators encounter include: 1) A missing or inoperable hard-wired smoke detector; 2) Missing, loose, or damaged electrical fixtures and/or face plates; 3) Missing or inoperable water backflow prevention devices; 4) Improperly installed or vented basement bathrooms and/or laundry tubs; 5) A dryer vent that does not vent to the outside, is made with improper materials, or is an improper size; 6) Improperly grounded electrical systems; 7) Unapproved flexible gas appliance connectors or valves and uncapped gas lines; 8) An inoperable or defective furnace; 9) A water heater that is improperly located, improperly installed, installed with a defective or missing pressure relief valve, or installed with plugged or capped temperature and pressure relief valve piping; and 10) A garage door opener or other appliance that is plugged into an extension cord instead of an approved outlet.



While there is a normal, substantial, seasonal variation in the number of evaluations per quarter, the trend of the average quarterly rate per year shows a decline in the number of TISH evaluations since 2005.

The City requires only one type of inspection for selling a property; if the dwelling is a registered vacant building the seller may use their letter of code compliance instead of a TISH report, or if it is a rental property, the current Fire Certificate of Occupancy may be used. The use of either in place of a TISH report reduces the number of TISH evaluations.

Another circumstance that affects the number of TISH evaluations is that, in the face of a cooling housing market, fewer homeowners are listing their homes for sale. Since TISH evaluations must take place when the home is placed on the market, the number of evaluations will not directly correlate to the number, or quality, of homes actually sold in the city. In addition, some dwellings are foreclosures that have become registered vacant buildings and therefore require a code compliance inspection and rehab before occupancy, so a Truth-in-Sale of Housing report is not needed.

Requirements to maintain an Evaluator License:

Once licensed, TISH evaluators are required to comply with the following to remain eligible for re-licensing.

- the Evaluator Guidelines (evaluation criteria)
- ethical standards
- continuing education requirements set by the board
- all provisions of the ordinance, including insurance

Licenses must be renewed on an annual basis.

Additional Note:

Most Saint Paul TISH evaluators are licensed in more than one city; some have MN State Building Official certification; almost all include Buyer Inspections in the scope of services they offer to clients, in addition to TISH evaluations.

Home inspectors in general, the ones who perform buyers' inspections and are not licensed by a city to do Truth-in-Sale of Housing evaluations, are self-appointed and self-employed. Home inspectors are not regulated by the State of Minnesota.



Evaluator Testing:

Testing for licensing occurs every two (2) years.

- To be eligible for testing a prospective TISH evaluator must first pass a national, third party, housing inspector exam and then may submit an application to take the Saint Paul licensing test.
- The Saint Paul test consists of two parts, a written test and a practical test.
- The applicant must pass the written test with 75% to be admitted to the second part, the practical test.
- The practical test is an actual house where the applicant evaluates and writes a report as if for a client. This portion also must be passed with a score of 75% or better.
- After passing both parts of the exam, then the applicant must provide proof of insurance and pay the licensing fee.
- In 2006, the last licensing exam, there were 23 applicants
- 17 passed the written test
- 2 passed the practical test and were licensed.



Message from the Chair, *Jerry Beedle*

The Truth-in-Sale of Housing ordinance was established to protect home buyers in the City of Saint Paul. It was authored by Mayor George Latimer and Councilmember Dave Hozza in 1975. Saint Paul pioneered the “inspection on sale” concept,

and other metro cities soon followed Saint Paul's lead. I have been a member of this board for over 31 years, and chair for about half of that time. I believe strongly in the benefits provided by the TISH program. It has been effective and it can be even more effective in the future.

The current TISH disclosure program provides buyers with a standard basis for comparing the condition of a home to others. It also alerts the potential buyer to conditions present in the home that might require correction, repair, or replacement in order to meet the evaluation standard. The purchase of a home is one of the most important, and expensive, decisions a person can make. The TISH disclosure report is meant to help buyers make this an informed decision.

In the thirty-plus years since the enactment of this ordinance there have been many changes. After Saint Paul pioneered the concept, other cities in the Twin Cities metropolitan area have adopted their own “inspection on sale” programs and tailored them to their own communities. A recent trend among the other cities has been to not just disclose the condition of a property, but to also require some degree of correction or repair to the deficiencies found during the course of an evaluation. Some cities have what they call “partial correction”, and others call “hazard repair”. The programs in effect address only the most hazardous conditions and allow buyers and sellers to negotiate the responsibility for compliance. Minneapolis, Bloomington, South Saint Paul, and Hopkins, and Saint Louis Park are examples of nearby communities that require repairs.

Saint Paul requires only that all single-family homes have at least one HWSD. The lack of one is reported on the TISH Disclosure form and when the Fire Marshal's office is notified, they follow up with enforcement to get the HWSD installed.



The enforcement of this requirement has been in effect for over 20 years and has become well-accepted as a beneficial requirement despite initial resistance from many in the real estate industry.

For the past several years the TISH Board has been considering the implementation of a correction and repair requirement for a limited number of health and safety deficiencies typically found in the current housing evaluation process. Saint Paul is the only major city in the Metropolitan area that does not require some type of hazard repair as part of the sale transaction. In 2007, the Board passed a resolution in support of the concept of hazard repair, but the Board has not as of yet agreed to a proposal to submit to the City Council for approval.



Hazard Repair is an important issue that many of the Board members desire to bring to conclusion in 2008. In addition, the Board is also interested in cooperating with the City to assist in reducing the growing number of vacant buildings through the TISH Evaluation process. One way being considered is to use the TISH Disclosure to identify which

vacant properties should have a complete code inspection. Whatever shape the cooperation takes, the Board is fully supportive of the efforts by the DSI to rehabilitate as many vacant buildings as possible.

We on the Board take seriously our responsibility to the City of Saint Paul. Inspectors must undergo continuing education to ensure that they remain up-to-date on current building standards and technologies, and licenses must be renewed annually. We are confident our licensing standards are high and allow only the best and most highly qualified evaluators to work in Saint Paul. We are committed to providing a program that informs and protects all residents, current and future, in their home selling and purchase decisions.



For more information specific to the Truth-in-Sale of Housing program go to:
<http://www.ci.stpaul.mn.us/index.asp?NID=1085>

2007 Quick Facts

- The TISH program is a self-sustaining, special-fund, activity
- 44 licensed evaluators averaged 121 reports each
- Fewest reports by an evaluator: 5; Most: 329
- 4966 dwellings evaluated: 3888 single family, 538 duplex, 540 townhouse, or condo
- 94 HWSD installed as a result of a TISH report (annual average is 188)



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